
Introduced by Senator Nguyen

February 1, 2016

An act to amend Section 1367 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 931, as introduced, Nguyen. Health care service plans.

Under existing law, the Knox-Keene Health Care Service Plan Act of 1975, the Department of Managed Health Care licenses and regulates health care service plans. Existing law requires a health care service plan to meet certain requirements, including, but not limited to, having the organizational and administrative capacity to provide services to subscribers and enrollees and providing basic health care services, as defined, to those subscribers and enrollees, and having facilities licensed, as specified.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1367 of the Health and Safety Code is
2 amended to read:
3 1367. A health care service plan and, if applicable, a specialized
4 health care service plan shall meet *all of* the following
5 requirements:
6 (a) ~~Facilities~~ A facility located in this state including, but not
7 limited to, clinics, hospitals, and skilled nursing facilities to be

utilized by the plan shall be licensed by the State Department of Public Health, ~~where if~~ licensure is required by law. ~~Facilities A facility~~ not located in this state shall conform to all licensing and other requirements of the jurisdiction in which ~~they are~~ *it is* located.

(b) Personnel employed by or under contract to the plan shall be licensed or certified by their respective board or agency, ~~where if~~ licensure or certification is required by law.

(c) Equipment required to be licensed or registered by law shall ~~be so~~ licensed or registered, and the operating personnel for that equipment shall be licensed or certified as required by law.

(d) The plan shall furnish services in a manner providing continuity of care and ready referral of patients to other providers at times as may be appropriate consistent with good professional practice.

(e) (1) All services shall be readily available at reasonable times to each enrollee consistent with good professional practice. To the extent feasible, the plan shall make all services readily accessible to all enrollees consistent with Section 1367.03.

(2) To the extent that telehealth services are appropriately provided through telehealth, as defined in subdivision (a) of Section 2290.5 of the Business and Professions Code, these services shall be considered in determining compliance with Section 1300.67.2 of Title 28 of the California Code of Regulations.

(3) The plan shall make all services accessible and appropriate consistent with Section 1367.04.

(f) The plan shall employ and utilize allied health manpower ~~for the furnishing of~~ *to furnish* services to the extent permitted by law and consistent with good medical practice.

(g) The plan shall have the organizational and administrative capacity to provide services to subscribers and enrollees. The plan shall be able to demonstrate to the department that medical decisions are rendered by qualified medical providers, unhindered by fiscal and administrative management.

(h) (1) Contracts with subscribers and enrollees, including group contracts, and contracts with providers, and other persons furnishing services, equipment, or facilities to or in connection with the plan, shall be fair, reasonable, and consistent with the objectives of this chapter. All contracts with providers shall contain provisions requiring a fast, fair, and cost-effective dispute resolution mechanism under which providers may submit disputes

to the plan, and requiring the plan to inform its providers upon contracting with the plan, or upon change to these provisions, of the procedures for processing and resolving disputes, including the location and telephone number where information regarding disputes may be submitted.

(2) A health care service plan shall ensure that a dispute resolution mechanism is accessible to noncontracting providers for the purpose of resolving billing and claims disputes.

~~(3) On and after January 1, 2002, a~~ A health care service plan shall annually submit a report to the department regarding its dispute resolution mechanism. The report shall include information on the number of providers who utilized the dispute resolution mechanism and a summary of the disposition of those disputes.

(i) A health care service plan contract shall provide to subscribers and enrollees all of the basic health care services included in subdivision (b) of Section 1345, except that the director may, for good cause, by rule or order exempt a plan contract or any class of plan contracts from that requirement. The director shall by rule define the scope of each basic health care service that health care service plans are required to provide as a minimum for licensure under this chapter. ~~Nothing in this chapter shall~~ *This chapter does not* prohibit a health care service plan from charging subscribers or enrollees a copayment or a deductible for a basic health care service consistent with Section 1367.006 or 1367.007, provided that the copayments, deductibles, or other cost sharing are reported to the director and set forth to the subscriber or enrollee pursuant to the disclosure provisions of Section 1363. ~~Nothing in this chapter shall~~ *This chapter does not* prohibit a health care service plan from setting forth, by contract, limitations on maximum coverage of basic health care services, provided that the limitations are reported to, and held unobjectionable by, the director and set forth to the subscriber or enrollee pursuant to the disclosure provisions of Section 1363.

(j) A health care service plan shall not require registration under the federal Controlled Substances Act (21 U.S.C. Sec. 801 et seq.) as a condition for participation by an optometrist certified to use therapeutic pharmaceutical agents pursuant to Section 3041.3 of the Business and Professions Code.

~~Nothing in this~~

1 (k) *This* section shall *not* be construed to permit the director to
2 establish the rates charged subscribers and enrollees for contractual
3 health care services.

4 ~~The~~

5 (l) *The* director's enforcement of Article 3.1 (commencing with
6 Section 1357) ~~shall not be deemed to~~ *does not* establish the rates
7 charged *to* subscribers and enrollees for contractual health care
8 services.

9 ~~The~~

10 (m) *The* obligation of the plan to comply with this chapter shall
11 not be waived when the plan delegates any services that it is
12 required to perform to its medical groups, independent practice
13 associations, or other contracting entities.